



STRICTLY PRIVATE AND CONFIDENTIAL

Fairfax Financial Holdings Limited
95 Wellington Street West
Suite 800
Toronto, Ontario, Canada
M5J 2N7

For the attention of Prem Watsa

5 February 2015

Dear Sirs

Project Bordeaux

You have expressed interest in the Proposal and in consideration of us, the members of the Group and our respective Agents making available to you and your Agents the Confidential Information you hereby agree with and acknowledge and undertake to us on the terms set out below.

Interpretation

1. In this letter:

"Agents" means directors, officers, employees, consultants, agents, partners, subsidiary undertakings which are notified and consented to by us, professional advisers and financial advisers;

"Acting in concert" means actively co-operating pursuant to an agreement or understanding (whether formal or informal) in the acquisition (directly or indirectly) of securities of the Company to obtain or consolidate control of the Company (control having the meaning given to it by the Code);

"Company" means Brit PLC;

"Code" means the City Code on Takeovers and Mergers;

"Confidential Information" means:

- (A) all Information relating directly or indirectly to the Proposal (excluding, for the avoidance of doubt, Information within paragraph (B) of this definition), including the existence of this letter and of any discussions and negotiations between you and us (or in each case our Agents), the fact that we have been willing to enter into such discussions and negotiations, the fact that we have made Information of the type described in the clause (B) below available to you, and the material terms and conditions of the Proposal discussed between you and us (or, in each case, our Agents);

BRIT PLC
55 BISHOPSGATE
LONDON EC2N 3AS
T 020 7984 8500
F 020 7984 8501

- (B) all Information relating to any member of the Group including, without limitation, Information relating to the property, assets, business, trading practices, plans, proposals and/or trading prospects of any member of the Group,

disclosed by or acquired in any way (and whether directly or indirectly or before, on or after the date of this letter) from us or any member of the Group or from any of our respective Agents and includes all copies of any such Information and Information prepared by you or your Agents which contains or otherwise reflects or is generated from such Information

BUT EXCLUDING:

- (i) all Information that is in, or has (after disclosure to or acquisition by you or your Agents) entered, the public domain otherwise than (a) as a direct or indirect consequence of any breach by you of any undertaking contained in or given pursuant to this letter or (b) which you know (or ought reasonably to have known having made reasonable enquiry) to have been disclosed in breach of any duty of confidentiality owed to us or any member of the Group or our respective Agents; and
- (ii) all Information that you can show by you or your Agents written records or other reasonable and sufficient evidence, was properly and lawfully in your or your Agents' possession prior to the time that it was disclosed by or acquired from us or any member of the Group or our respective Agents and provided that such Information is not known by you to be subject to any other duty of confidentiality owed to us or any member of the Group or our respective Agents;

“Group” means the Company and its subsidiary undertakings and associated undertakings from time to time (subsidiary undertaking and associated undertaking each having the meaning ascribed to it in the Companies Act 2006 and Schedule 6 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 respectively (but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 of those Regulations));

“Information” means all information of whatever nature and in whatever form including, without limitation, in writing, orally, electronically and in a visual or machine-readable medium including CD ROM, magnetic and digital form;

“person” includes a reference to an individual, a body corporate, government body, association or partnership;

“Proposal” means the proposed acquisition of the entire issued and to be issued share capital of the Company; and

“securities” means any shares or security in the capital of the relevant company, any option to acquire any such share or security and any derivative relating to, or any rights whatsoever in respect of, any such share or securities.

1.2 The obligations are given by you in favour of us and each member of the Group.

2. Confidential Information

- 2.1 You will treat and keep all Confidential Information as secret and confidential and will not, without our prior written consent, directly or indirectly communicate or disclose (whether in writing or orally or in any other manner) Confidential Information to any other person other than as provided in paragraph 3. You will ensure that the Confidential Information is protected with at least the same security measures and degree of care that would apply to your own confidential information.
- 2.2 You will not use any Confidential Information for any purpose (including, but not limited to, any competitive or commercial purpose) other than in connection with the Proposal.
- 2.3 You will not make, or permit or procure to be made, any copies in any form of or transmit or distribute the Confidential Information except (a) for the purpose of supplying Confidential Information to persons to whom disclosure of Confidential Information is expressly permitted by this letter or (b) with our prior written consent.

3. Exceptions

- 3.1 The restrictions in sub-paragraph 2.1 do not apply to the disclosure of Confidential Information:
- (A) to your Agents who, in the case of Agents other than your directors and employees, have been identified (as an entity/organisation basis) in writing to us prior to such disclosure being made and whom you consider strictly consider need to receive and consider Confidential Information for the purposes of your appraisal of the Proposal; or
 - (B) which is required by law or the rules of or at the request of any applicable regulatory, governmental or supervisory organisation (but subject to paragraph 5).
- 3.2 You will ensure that each person to whom any Confidential Information is disclosed by you in accordance with sub-paragraph 3.1(A) is provided with a copy of this letter and observes its terms relating to the protection of Confidential Information as if they were a party to the letter and you will be responsible for any breach of the terms of this letter by any such person. For the avoidance of doubt, this obligation shall not extend to any subsidiary undertaking of yours which does not receive or have access to the Confidential Information.

4. Records and return of Confidential Information

You will upon the demand by us:

- (A) within seven days of such demand, destroy or return to us all hard copy documents and all other materials which are in a form reasonably capable of delivery containing or reflecting any Confidential Information and all copies thereof which have been made by or on behalf of you or your Agents other than your or your Agent's own proprietary Information which you or they will destroy; and
- (B) ensure that where Confidential Information has not been returned or destroyed under (A) above, no step will be taken to access or recover such Confidential Information from any computer, word-processor, telephone or other device containing such information or which is otherwise stored or held in electronic, digital or other machine readable form. You will continue to hold such Confidential Information subject to the terms of this letter.

In addition, you will within ten days of such demand provide to us a certificate addressed to us and signed by a duly authorised representative confirming compliance with this paragraph by you and your Agents. Notwithstanding the obligations in this paragraph, you will be entitled to retain such copies of such Information as is required to be retained by law or the rules of any applicable regulatory, governmental or supervisory organisation to which you or they are subject and such Information will continue to be held subject to the terms of this letter.

5. Announcements and disclosure

- 5.1 Subject to sub-paragraphs 5.2 and 5.3, and other than as provided by paragraph 3, you will not make, or permit or procure to be made or solicit or assist any other person to make, any announcement or disclosure of any Confidential Information, including your interest in the Proposal, without our prior written consent.
- 5.2 If you become (or it is reasonably likely that you will become) compelled by law or are requested by any applicable regulatory, governmental or supervisory organisation to whose jurisdiction you are subject, to disclose any Confidential Information, you shall be permitted to make such disclosure provided that you will use all reasonable endeavours, where and to the extent permitted by law or any such rules, immediately to notify us so that we may seek any appropriate means to prevent or minimise that disclosure and you will co-operate with us and take such steps as we may reasonably require for that purpose.
- 5.3 Where you make disclosure of Confidential Information under sub-paragraph 5.2, the disclosure will (to the extent permitted by law or regulation) be made only after prompt consultation with us and after taking into account our reasonable requirements as to its timing, content and manner of making. Furthermore, you will disclose only that portion of the relevant Confidential Information which your legal advisers advise in writing should by law or regulation be disclosed.
- 5.4 Where in accordance with sub-paragraph 5.3, you are not permitted to consult with us before disclosure is made you will, to the extent permitted by law or regulation, inform us of the circumstances, timing, content and manner of making of the disclosure promptly after such disclosure has been made.
- 5.5 You will, to the extent permitted by law or regulation, immediately notify us of the full circumstances of any breach, or threatened breach, of this letter upon becoming aware of such breach or threatened breach.
- 5.6 Any notification required pursuant to this letter will be made immediately by telephone or email to the person whose contact details are set out at the end of this letter or to such other person or contact numbers as you may be notified in writing from time to time.

6. Approaches to us, members of the Group and others

- 6.1 Subject to sub-paragraph 6.3, you will, and you will procure that your Agents will, only make contact in connection with the Proposal with the directors and employees and advisers of any member of the Group who may from time to time be notified to you by us or on our behalf.

- 6.2 Subject to sub-paragraph 6.3, during the period of two years from the date of this letter you will not directly or indirectly solicit, endeavour to entice away or offer to employ or to enter into any contract for services with any person who is at any time during those negotiations working for us or any member of the Group (whether as an employee or consultant or independent contractor) either in a senior capacity or directly engaged in the negotiations relating to the Proposal, whether or not that person would commit any breach of his or her contract by ceasing to work for us or the member of the Group concerned.
- 6.3 Nothing in sub-paragraphs 6.1 or 6.2 will prevent you from considering and accepting an application made by any such person in response to a recruitment advertisement published generally and not directed at the employees of any member of the Group.
- 6.4 You undertake that you will not at any time, without our prior written consent (such consent not to be unreasonably withheld), discuss the Confidential Information with any financial rating agency, any governmental or supervisory body or any regulatory organisation in the UK or Gibraltar and will consult with us prior to first contacting any other such agency, body or organisation to discuss any Confidential Information.

7. Duration

Subject to the following sentence, the obligations undertaken by you under this letter will be continuing and, in particular, they will survive the termination of negotiations between us regarding the Proposal, provided that if the Proposal is successfully completed by you then the obligations contained in this letter will not apply to the extent that the Confidential Information relates solely to the Group. The obligations under this letter will expire two years from the date of this letter.

8. Principal

You confirm that you are acting in this matter as principal and not as nominee, agent or broker for or acting in concert (as defined in the City Code on Takeovers and Mergers) with any other person. Each party to this letter shall be responsible for its own costs whether incurred by itself or its Agents in connection with the Proposal (whether or not it proceeds) and in complying with the terms of this letter.

9. Procedure

You agree that we will be under no obligation to accept any offer or proposal which may be made by you or on your behalf in the course of any negotiations.

10. No Offer

You agree that all Information, whether containing Confidential Information or otherwise, made available to you or your Agents prior to, in the course of, or for the purpose of, negotiations in relation to the Proposal, will not constitute an offer, inducement or invitation by, or on behalf of, ourselves, nor will those documents nor the Information contained in them form the basis of, or any representation in relation to, any contract.

11. No Representations

You acknowledge that no responsibility is accepted, and no representation, undertaking or warranty is made or given, in either case expressly or impliedly, by us or by any member of the Group or our respective Agents as to the accuracy or completeness of the Confidential Information or any other Information supplied or as to the reasonableness of any assumptions on which any of the same is based or the use of any of the same. You further acknowledge that you will be responsible for making your own decisions on the Confidential Information and the Proposal. Accordingly, you agree that neither we nor any member of the Group nor our respective Agents will be liable for any direct, indirect or consequential loss or damage suffered by any person resulting from the use of the Confidential Information or any other Information supplied, or for any opinions expressed by any of them, or any errors, omissions or misstatements made by any of them in connection with the Proposal. You agree that you will not place any reliance on any statement, representation, warranty or covenant (written, oral or in any other media) made by us or any member of the Group or our respective Agents in connection with the Confidential Information, the Proposal or any other matter contemplated hereby. Each statement in this paragraph is made subject to the terms of any definitive written agreement or agreements entered into between the parties relating to the Proposal and has no application in the case of fraud.

12. Expertise

You confirm that you are a person who:

- (A) is an investment professional within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("the Order"); or
- (B) falls within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Order; or
- (C) is situated outside of the United Kingdom

and that in each case you are able to receive the Confidential Information without contravention of any unfulfilled registration requirements or other legal restrictions in the jurisdictions in which you reside or conduct business.

13. Insider dealing and market abuse

You acknowledge and agree that:

- (A) the Confidential Information is provided to you in confidence and you will not, and you will procure that your Agents will not on your behalf, engage in any behaviour in relation to qualifying investments or relevant related investments (within the meaning of Part 8 of the Financial Services and Markets Act 2000 ("FSMA") and the Code of Market Conduct made pursuant to FSMA) while in possession of the Confidential Information which would amount to market abuse for the purposes of FSMA; and
- (B) the Proposal and some or all of the Confidential Information may constitute inside information for the purposes of the Criminal Justice Act 1993 ("CJA") and accordingly by receiving such Confidential Information you and or your Agent may become an 'insider'. You consent to being made an insider by virtue of receiving the Confidential Information and acknowledge that, subject to and in accordance with applicable law, you may not deal in securities that are price-affected securities (as defined in the CJA) in relation to any such inside information, encourage another person to deal in price-affected securities or disclose the information except as permitted by the CJA before such inside information has been made public.

14. Contracts (Rights Of Third Parties) Act 1999

- 14.1 The provisions of this letter confer benefits on the persons specifically referred to in sub-paragraph 1.2 (each, a "Third Party") and, subject to the remaining terms of this paragraph 14, are intended to be enforceable by each Third Party by virtue of the Contracts (Rights of Third Parties) Act 1999.
- 14.2 Notwithstanding sub-paragraph 14.1 of this letter, this letter may be rescinded or varied in any way and at any time without the consent of any Third Party.

15. General

- 15.1 You acknowledge and agree that damages alone would not be an adequate remedy for any breach of this letter and/or breach of confidence. Accordingly, we will be entitled to seek the remedies of injunction, specific performance and other equitable relief for any threatened or actual breach of this letter and/or breach of confidence.
- 15.2 In the event of litigation relating to this letter, if a court of competent jurisdiction determines in a final, non-appealable order that a party has breached the terms of this letter, then such party will be liable and pay to the non-breaching party the reasonable legal fees such non-breaching party has incurred in connection with such litigation, including any appeal therefrom, that are ordered by such court.
- 15.3 No failure or delay in exercising any right, power or privilege under this letter will operate as a waiver of it, nor will any single or partial exercise of it preclude any further exercise or the exercise of any right, power or privilege under this letter or otherwise. No modification to this letter or any waiver granted by us, any member of the Group or our respective Agents in respect of any action taken by you will be effective unless agreed in writing by us.
- 15.4 To the extent that any Confidential Information is covered or protected by privilege, then disclosing such Information to you or otherwise permitting disclosure of it does not constitute a waiver of privilege or any other rights which we or any member of the Group or our respective Agents may have in respect of such Confidential Information.
- 15.5 The rights, powers and remedies provided in this letter are cumulative and not exclusive of any rights, powers and remedies provided by law.
- 15.6 This letter will ensure to the benefit of, and be enforceable by, our successors and assigns and you agree to procure that its terms are observed by any successors and assigns of your business or interests or any part thereof as if they had been party to this letter. You acknowledge and agree that we may assign the benefit of this letter in whole or in part to any person(s) who purchase all or part of the Company or its assets.
- 15.7 You acknowledge and agree that no right or licence is granted to you in relation to the Confidential Information except as expressly set out in this letter.
- 15.8 The provisions of this letter will be severable in the event that any of the provisions hereof are held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, and the remaining provisions will remain enforceable to the fullest extent permitted by law.
- 15.9 Any consent to be given by us under the terms of this letter may be given on such terms as we determine or may not be given.

- 15.10 Subject to (i) the requirements of the City Code and the Takeover Panel; (ii) the rules, regulations and requirements of any governmental or regulatory agency; (iii) applicable law; and (iv) the fiduciary duties of directors, we shall not, without your prior written consent, directly or indirectly disclose (whether in writing or orally or in any other manner) the terms of the Proposal, the existence of this letter and the content of any discussions and negotiations between you and us (or in each case our Agents), the fact that we have been willing to enter into such discussions and negotiations and the fact that you have made Confidential Information available to us. We will ensure that each Agent of ours or any other person we engage in connection with the Proposal abides by the terms of this letter relating to the protection of such information and we will be responsible for any breach of the terms of this paragraph by any such person. Where sub-paragraphs (i)-(iv) apply, where permitted by law and regulation, we will to the extent reasonably practicable consult with you prior to making the disclosure.
- 15.11 This letter may be executed in any number of counterparts and by the parties to it on separate counterparts, but will not be effective until each party has executed at least one counterpart. Each counterpart will constitute an original of this letter, but all the counterparts will together constitute but one and the same instrument.
- 15.12 This letter is to be governed by, and construed in accordance with, English law. Any matter claim or dispute arising out of or in connection with this letter, whether contractual or non-contractual, and the relationship between the parties and the conduct of any negotiations in relation to the Proposal are to be governed by and determined in accordance with English law. Each party hereby irrevocably submits to the exclusive jurisdiction of the English courts in respect of any claim or dispute arising out of or in connection with this letter or the relationship between the parties or the conduct of any negotiations in relation to the Proposal. You hereby irrevocably appoint the person identified below as your agent for service of process in England and Wales.

We should be grateful if you would confirm your acceptance of the terms of this letter by signing and returning to us the enclosed copy of this letter together with a list of your Agents who are directly concerned with the Proposal in accordance with paragraph 3.1(A).

Yours faithfully



for and on behalf of
Brit PLC
526821331

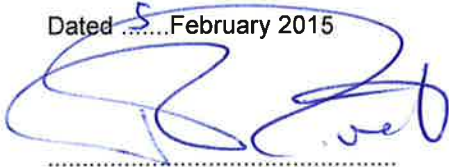
Tim Harmer

Group Director Legal & Compliance

To: Brit PLC

We agree to the matters set out in your letter dated 5 February 2015 (of which this is a copy) and attach a list of our Agents who are directly concerned with the Proposal in accordance with paragraph 3.1(A).

Dated 5 February 2015

A handwritten signature in blue ink, appearing to be 'J. Oet', is written over a dotted line. The signature is stylized and somewhat illegible.

for and on behalf of
Fairfax Financial Holdings Limited

duly authorised officer

Agent for service of process including address:

Fairfax Financial Holdings Limited
c/o Riverstone Insurance (UK) Limited
161-163 Preston Road
Brighton, East Sussex, BN1 6AU